



12 October 2011

September 2011 Quarter Operations Review

(unaudited)

	Q3 11	vs Q3 10	vs Q2 11 ⁽¹⁾	9 mths 11	vs 9 mths 10
Total material mined ('000 tonnes)	2,712	-10%	578%	6,913	-6%
Ore mined ('000 tonnes)	262	-39%	1,210%	478	-32%
Ore milled ('000 tonnes)	679	17%	805%	939	-49%
Mill head grade (% uranium oxide)	0.17	-6%	21%	0.18%	13%
Mill recovery (%)	87.1%	-	-2%	87.4%	-1%
Production – uranium oxide					
- tonnes	1,010	11%	1,117%	1,611	-39%
- 000 lbs	2,227			3,552	

⁽¹⁾ Processing operations were suspended until 15 June 2011.

Uranium oxide produced by Energy Resources of Australia Ltd (ERA) for the September 2011 quarter was 1,010 tonnes. This was 11 per cent higher than the corresponding period in 2010 and significantly higher than the previous quarter during which processing operations were limited to 15 days. Year to date production has been affected by a temporary plant suspension which commenced on 28 January 2011, taken in response to the significantly above average wet season experienced in the Northern Territory. Strong plant performance has been achieved since recommencement of processing operations on 15 June 2011. Improvements implemented during the processing suspension resulted in ore milled being 17 per cent higher than the corresponding period in 2010.

Following the above average wet season, significant in pit water levels have prevented access to high grade ore located towards the bottom of the pit. Full scale in pit mining activity resumed mid quarter and focused on upper benches progressively moving deeper as water levels receded. In July ERA commissioned additional pond water treatment infrastructure, doubling the existing water treatment capacity. This has accelerated removal of water from the pit and should provide access to higher grade ore prior to the next wet season. ERA remains on schedule to remove all water from the pit prior to the commencement of the 2011/12 wet season. ERA is currently well progressed in the construction of a four metre embankment lift to the existing Tailings Storage Facility. This is scheduled to be completed prior to the wet season, with regulator approval being requested to increase the Maximum Operating Level at this time.



ERA

OUTLOOK

ERA continues to expect uranium oxide production to be approximately 2,600 tonnes in 2011 as previously announced on 4 August 2011.

EXPLORATION AND EVALUATION

On 4 August 2011, ERA announced that the ERA Board had approved the construction of the Ranger 3 Deeps exploration decline. All necessary approvals have now been received. Work to prepare the site is underway with construction of the box cut scheduled to commence in May 2012.

Total evaluation expenditure for the September quarter was \$7 million, compared to \$6 million in the corresponding period of 2010. This brings year to date evaluation expenditure to \$13 million.

ERA announced as part of its 2011 half year presentation to the financial community, on 4 August 2011, that it intends to spend \$40 million on exploration activities across the wider Ranger Project Area. Diamond drilling continued on the Georgetown target which is situated to the east of Ranger 3 Deeps. Preparations for future diamond drilling at Ranger 18 East, located 2 km to the north of the current Ranger operations, commenced in September. Target generation to support the proposed 2012 drilling program is progressing and will be finalised during the December quarter.

Exploration expenditure for the quarter totalled \$3 million, compared with \$1 million in the June 2011 quarter and \$3 million in the corresponding quarter of 2010. Total exploration expenditure year to date totalled \$4 million.

Competent Person The information in this report relating to exploration results is based on information compiled by Greg Rogers, who is a member of the Australasian Institute of Mining and Metallurgy. Greg Rogers is a full-time employee of the company and he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Greg Rogers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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For further information on the company's activities please access ERA's website at www.energyres.com.au